

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 465** SLS 24RS 1396
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 7, 2024	2:34 PM	Author: TALBOT
Dept./Agy.: Higher Education		
Subject: Intercollegiate Athletes		Analyst: Chris Henry

AMUSEMENTS/SPORTS RE SEE FISC NOTE SG EX Page 1 of 1
 Provides relative to intercollegiate athletes at a postsecondary education institution. (gov sig)

Proposed legislation makes changes to statute related to intercollegiate athlete name, image, and likeness (NIL) regulation. Provides the ability for a player to hire a Marketing Representative to secure compensation for NIL use of the player. Allows institutions to compensate an athlete for NIL activity if authorized by court order, consent decree, or settlement agreement as well as a change in the regulations of the governing authority of the institution which would allow it. Provides that players will no longer be required to disclose NIL contracts under \$600 to their institution to align with NCAA disclosure requirements. Postsecondary institutions will be required to provide players with financial literacy and life skills courses annually for at least two and a half hours, as opposed to providing the training every two years at a minimum of five hours. Allows institutions to support student athletes with resources in the areas of financial responsibility, business formation, and marketing.

EXPENDITURES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						
REVENUES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Many postsecondary institutions with policies allowing NIL activities report indeterminable or minimal fiscal impacts that would occur as a result of the proposed legislation; however, impacts will vary by institution. The measure changes the provision of financial literacy and life skills training for student athletes by making it an annual 2.5 hour requirement as opposed to a 5 hour workshop required to be taken during the athlete's first and third years. Institutions that provide this service via contracted professional services could see changes in costs; however, they are unlikely to be significantly different than the existing requirements. Nicholls State reports these services are being provided through community support at no cost. Should this option no longer be available, the institution and others in similar situations would need to assume the cost of providing the services. The Southern University System reports \$150,000 in costs across its three campuses to engage in professional services contracts with financial planners and accountants who could provide training sessions on personal finance and business entity creation. The LFO cannot fully corroborate the need for or amount of these cost estimates. Should additional information be received which materially changes the analysis, this fiscal note will be updated to reflect the new information.

The proposed legislation allows institutions to provide resources to student athletes such as financial responsibility, business formation, and marketing to support their NIL endeavors. Louisiana State University A&M College indicates it intends to hire one (1) additional Assistant Athletic Director with compensation estimated at \$100,000 (\$75,000 salary and \$25,000 related benefits) to work with student athletes on NIL endeavors, provide students with professional tax services estimated to cost \$25,000 and purchase photography equipment and marketing materials to assist with NIL content creation at a one-time cost of \$15,000. **These costs are reflected above as SGR and are reported for informational purposes only. The proposed legislation does not require any institution to provide these services.**

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Patrice Thomas
 Deputy Fiscal Officer